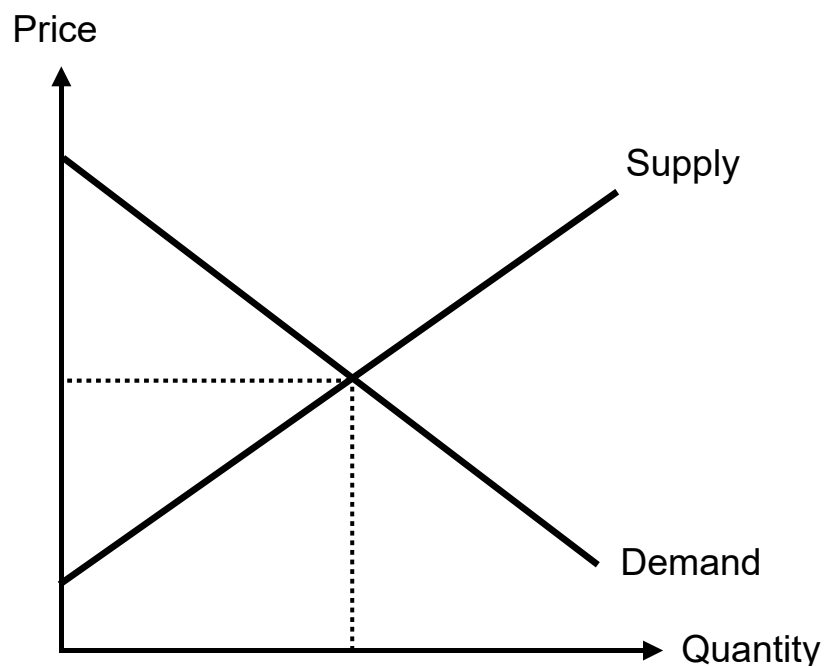


Externality - tax or subsidy (E09a)

- ⇒ Production causes environmental pollution. In order to curb this, it is considered to introduce a tax or a subsidy. What is your advice? Give reasons for your answer.

Situation of an industrial company polluting the environment before the government intervention:



Click to get the answer!